

The Insolvency Act 1986

Administrator's progress report

Name of Company

ADB (International) Ltd

Company number

2763764

In the

High Court Of Justice Birmingham

(full name of court)

Court case number

8508 of 2011

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)

Kevin J Hellard
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YUStephen Hunt
Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 8 March 2013

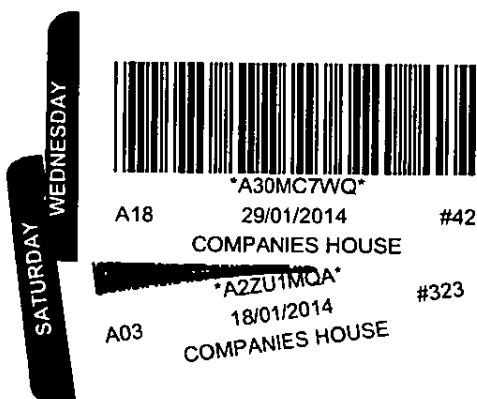
(b) 1 August 2013

Signed

Joint Administrator(s)

Dated

17 January 2014



Our Ref KJH/TPB/KZE//7

To the creditors

Recovery and Reorganisation

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1 August 2013

Dear Sirs

ADB (International) Limited - In Administration ("the Company")

1 Introduction

1.1 I was appointed as joint administrator of the above Company together with Mr S J Hunt of Griffins, by an Order of the High Court of Justice on 8 March 2013, in place of Mr Costas Morfakis of Axiom Recovery LLP. Mr Morfakis was originally appointed as administrator by the directors of the Company on 23 December 2011, pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986. Mr Morfakis was removed as liquidator by Order of the High Court of Justice on 8 March 2013.

1.2 I am now in a position to present a progress report with respect to this matter and attach

- Form 2.24B, together with an account of the administrator's receipts and payments to date, and receipts and payment account from 23 December 2011 to 8 March 2013 which relates to the period of Mr Morfakis' tenure, in accordance with Rule 2.47 of the Insolvency Rules 1986,
- a statement of the remuneration charged by the joint administrators in the period and a statement of expenses incurred in the period,
- an analysis of the joint liquidators' time costs to date as required by Statement of Insolvency Practice 9,
- an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A),
- an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)

1.3 Please note the receipts and payments account contains figures obtained from Mr Morfakis computerised records which have not yet been verified.

2 Statutory Information

2 1 The Company's statutory details are as follows

registered number	02763764
registered office	c/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU
former registered office	c/o Axiom Recovery LLP, Suite 2 – 1 st Floor, Turnpike Gate House, Birmingham Road, Alcester B49 5JG
former trading address	Worle Quarry, Lower Kewtoke Road, West Super Mare BS22 9LF

3 Progress of the Administration

- 3 1 Administrations ordinarily last for a period of one year, and consequently the administration was due to come to an end on 23 December 2013. However at a hearing on 9 October 2012, the court extended the period of the administration to 26 October 2013.
- 3 2 According to the proposals report prepared by Mr Morfakis the principal objective of the administration was to sell the Company's business and assets and in so doing achieve a better result for the creditors as a whole.

4 Assets realisations

- 4 1 According to the directors estimated statement of affairs the Company had assets comprising of the following:

Assets	Estimated to Realise £
Goodwill	99,999
IP	1
Equipment	50,000
Motor vehicles	10,000
Contracts and WIP	44,558
Book debts	93,268
Total	297,826

Sale of business and assets

The Company's business and assets were sold to an associated company, ADB Bristol Limited, on 21 December 2011 for £297,826 on the advice provided by MGR Appraisals ("MGR"). MGR had valued the business at £117,833 on an in-situ basis. The sale

consideration was to be paid by way of £10,000 on completion, followed by 10 equal monthly instalments of £11,783 and a final payment of £170,000

The supplement letter supporting the sale agreement states that the purchase price was to be changed to £270,000

The Company's pension scheme debt of £170,000, mentioned below, was to be used to set off part of the consideration due

According to the previous officeholder's accounts £19,500 has been received to date

The current liquidator will be seeking recovery of the outstanding balance once the exact position has been established

5 Investigations and bond claim

- 5 1 I am currently at the early stages of my investigation into the manner in which the Company traded pre-administration and the conduct of the previous officeholder
- 5 2 Insolvency practitioners are obliged to obtain two distinct policies when taking insolvency appointments, a bond of specific penalty for each appointment up to the value of the assets within the estate, and a general bond, limited to set amount, which covers all his appointments Detailed investigations will be undertaken into the conduct of the previous officeholder
- 5 3 At this stage I am unable to comment whether there are any claims which could lead to future recoveries

6 Secured creditors

- 6 1 A fixed and floating charge has been registered against the Company by The Trustees of AM Directors Pension Scheme on 15 June 2010 for £170,000
- 6 2 The amount due was to be used as set off against part of the sale consideration as explained above The current liquidators are currently making enquiries into the validity of the debenture

7 Preferential creditors

- 7 1 The previous administrators proposals shows preferential creditors of £412 It is unclear whether there will be sufficient realisations to pay preferential creditors in part or in full

8 Prescribed part and non-preferential creditors

- 8 1 As the floating charge debenture is registered after the 15 September 2003, should funds allow, a prescribed part payment for the benefit of unsecured creditors would be made from the net floating charge realisations that are available to the debenture holders

- 8 2 I have received claims from non-preferential creditors totalling £616,355
- 8 3 At this stage I am unable to state whether a distribution will be made to non-preferential creditors

9 Administration fees

- 9 1 Office holders are obliged to provide creditors with information pertaining to fees and expenses drawn from the estate over which they are appointed
- 9 2 I attach Mr Morfakis' detailed time records to 26 October 2012 in accordance with Statement of Insolvency Practice 9, which shows time costs of £50,531 Mr Morfakis drew remuneration totalling £23,250 in the period
- 9 3 In accordance with Statement of Insolvency Practice (SIP 9), I attach a summary of my time costs to date, by grade of staff and type of work This shows a total time cost to date of £16,958 represented by 66 68 hours at an average charge out rate of £254 per hour I have not drawn any remuneration on account
- 9 4 The day to day conduct of the administration is under control of partners and staff of Grant Thornton UK LLP The routine administration of the case will be at a level of administrator, who is responsible to a manager who is experienced in insolvency matters and, together with the appointed partner who is licensed to act as an insolvency practitioner will deal with technical or complex matters as they arise The extent to which time will be incurred by managers and partners will depend on issues which arise as our investigations continue Details of the hourly rates are made available to creditors or creditor' committees at the time of fixing the basis of our fees Personnel carrying the Treasury, secretarial and filing functions are charged separately to the professional staff on the case based on the time they work on it
- 9 5 My charge out rates and those of my staff are shown below, together with those of Griffins

Grant Thornton UK LLP	From 1/7/12	From 1/7/2013
Grade	£ p/h	£ p/h
Partner	465-580	480-600
Director	440-480	455-500
Managers	270-440	280-455
Other Senior Professionals	220-285	230-295
Administrators	150-210	155-220
Support Staff	140-165	145-170

Griffins	£ per hour
Partner	495-545
Manager	300-395
Senior Investigator	325-380
Administrator/Investigator	200-300
Junior Administrator/Investigators	145-190
Support Staff	70-180

10 1 Details of Griffins time costs to date are attached, showing time costs of £117 represented by 0 33 hours at an average charge out rate of £354 per hour. No remuneration has been paid to the joint liquidator in the period.

10 2 Background information regarding Administrators' fees can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Technical' to 'Creditors Guides to Fees'). Alternatively, I can supply this information by post on request.

11 Expense of the administration

11 1 To date, I have incurred disbursements totalling £30. No disbursements have been paid to the joint administrator.

12 Exit Strategy

12 1 It is my intention that once the above matters have been resolved and the administrator's duties have been completed that the Company will proceed to Creditors Voluntary Liquidation or proceed to dissolution should all matters have been resolved.

12 2 As mentioned above the administration is due to end on 26 October 2013.

12 3 In order to allow sufficient time to investigate the issues outlined in this report, I will apply to the court and obtained further extensions of the administration in order that all remaining asset realisations and investigations can be completed, being a 2 year extension until 26 October 2015.

12 4 If you have any questions regarding the content of this report please contact Kim Edwards on 0161 953 6490 or email kim.edwards@uk.gt.com

Yours faithfully
for and on behalf of ADB (International) Limited



Kevin J Hellard
Joint Administrator

ADB (International) Limited
in administration
Joint administrators' receipts and payments account

Receipts	Statement of Affairs Estimated to Realise	From 8/3/2013 to date (£)	Total (£)
Goodwill	99,999		
IP	1		-
Equipment	50,000		-
Motor vehicles	10,000		-
Contracts and WIP	44,558		-
Book debts	93,268		-
VAT refund		880	880
Unexplained receipts		158	158
Total receipts on last R & P		35,839	35,839
	<u>297,826</u>	<u>36,877</u>	<u>36,877</u>
Payments			
Total payments on last R & P		35,820	
		<u>35,820</u>	<u>35,820</u>
Balance			1,057
			<u>36,877</u>

ADB (INTERNATIONAL) LIMITED – IN ADMINISTRATION

**SUMMARY OF THE FORMER ADMINISTRATOR'S RECEIPTS AND
PAYMENTS COVERING THE PERIOD FROM 27 OCTOBER 2011 TO
8 MARCH 2013**

	Statement of Affairs Estimated to Realise	Actual
	£	£
RECEIPTS		
Goodwill	99,999	
IP	1	
Equipment	50,000	9,500
Motor vehicles	10,000	9,999
Contracts and WIP	44,558	
Book debts	93,268	
Property rights/patents		1
Cash at bank		15,856
Sundry refunds		2,717
Bank interest gross		2
	<hr/>	<hr/>
	297,826	38,075
 PAYMENTS		
Officeholders fees		28,482
Agents/ valuers fees		2,500
Legal fees		6,130
Statutory advertising		67
VAT receivable		896
		<hr/>
		38,075
 Balance of funds in hand as at 8 March 2013		<hr/>
		0

The above figures have been summarised from documents prepared by Mr Morfakis and have not been independently verified by ourselves

Remuneration charged and expenses incurred by
the administrators in the period

	Charged/incurred in period 8 March 2013 to date	Cumulative charged/incurred to date	Of which paid to date
	£	£	£
Grant Thornton UK LLP fees	16,958	16,958	NIL
Grant Thornton UK disbursements	30	30	NIL
Griffins fees	117	117	NIL

Job(s) ADM

Transaction period 08/03/2013 to 30/07/2013

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	10	7 50	75 00	1 08	568 40	526 30	5 38	1 260 40	234 28	8 27	1 285 95	155 50	19 18	4 688 75	244 46
Creditors													00	00	
Liatus period													00	00	
Investigations							14 60	3 436 00	235 34	12 70	1 905 00	150 00	47 45	12 240 00	257 96
Realisation of Assets				05	29 00	580 00							05	29 00	580 00
Trading													00	00	
Total	10	7 50	75 00	1 13	597 40	528 67	19 98	4 696 40	235 06	20 97	3 190 95	152 17	66 68	16 957 75	254 32

Narrative description of work carried out

Activity	Examples of work
Administration and planning	Case review, administrative set up, dealing with practitioners' bank account Liaising with solicitors in respect of appointment Copy and filing previous officeholders papers for review Dealing with company tax position Treary statutory work
Investigations	Reviewing previous officeholders records and prepare strategy note Sending enquiry letters to various parties to establish company's trading position Reviewing solicitors and agents files Reviewing position regarding the sale of the company's business and assets
Realisation of assets	Dealing with bank transfer
Creditors	No time has been incurred in dealing with the company's creditors

GRIFANS

Time Entry - SIP9 Time & Cost Summary

ADBIN01 - ADB (International) Limited
Project Code POST
From 08/03/2013 To 31/07/2013

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.33	0.00	0.33	116.67	350.01
Legal & Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	0.00	0.33	0.00	0.33	116.67	350.01
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

A0814

ADB (International) Limited

SIP 9 - Time & Cost Summary

Period 27/10/11 26/11/11

NOTE - THE SIP9 SUMMARY IS FILTERED BY TIME WHICH HAS A SIP9 COLUMN AND A PROJECT CODE OF 'POST' OR IF EMPTY

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Statutory/Legal/Compliance	3 70	0 00	0 00	1 00	4 70	1 760 00	374 47
Bank Correspondence	0 00	0 00	0 00	0 00	0 00	0 00	0 00
S192	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Complaints	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Telephone Messages	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Planning	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Administration & planning	3 70	0 00	0 00	1 00	4 70	1 760 00	374 47
D1/D5/Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Insurance	0 00	0 00	0 00	0 20	0 20	35 00	180 00
VAT	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Corporation Tax	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Realisation - Property	0 30	0 00	0 00	18 00	18 30	3 360 00	183 61
Asset Realisation - Fixed Assets	4 90	0 00	0 00	0 00	4 90	1 990 00	406 12
Asset Realisation - Debtors	1 80	0 00	0 00	0 00	1 80	720 00	400 00
Costs	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	7 00	0 00	0 00	18 20	25 20	5,108 00	242 30
Trading On	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditor Correspondence	0 00	0 00	0 00	0 50	0 50	90 00	180 00
Proofs/Proxies	0 00	0 00	0 00	1 30	1 30	234 00	180 00
Preferential Claims/Crown Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
ERA	0 30	0 00	0 00	3 80	4 10	804 00	196 10
Report/Statement of Affairs	0 10	0 00	0 00	0 00	0 10	45 00	450 00
PAYE	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Secured Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Retention of Title	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Committee	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Dividends	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Statement of Affairs/Cred Mtg	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 40	0 00	0 00	5 60	6 00	1 173 00	195 50
Total Hours	11 10	0 00	0 00	24 80	35 90	9 039 00	251 78
Total Fees Claimed						0 00	

PREVIOUS OFFICER/STAFF/11/11/11

Time Entry - SLP9 Time & Cost Summary

A0814 - ADB (International) Limited
Project Code POST
From 27/11/2011 To 26/10/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	18 80	5 90	0 00	40 90	65 60	19 235 00	293 22
Case Specific Matters	5 90	0 80	0 00	8 70	15 40	4 509 00	292 79
Creditors	1 50	0 00	0 00	16 40	17 90	4 013 00	224 19
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	25 90	0 50	0 00	12 50	38 90	13 735 00	353 08
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	52 10	7 20	0 00	78 50	137 80	41 492 00	301 10
Total Fees Claimed						18 760 00	
Total Disbursements Claimed						9 375 00	

An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specifyand may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

PROOF OF DEBT**ADB (International) Ltd - In Administration****In The 8508 Of 2011****Date of Administration: 27 October 2011**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration [see above]	
4	Details of any documents by reference to which the debt can be substantiated [Note the Administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If total amount above includes outstanding uncapitalised interest please state the amount	
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under Section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security and the date it was given	
9	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied	
10	Signature of creditor or person authorised to act on his behalf Name in BLOCK LETTERS Position with or relation to creditor	

Admitted to vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator